

**HONORABLE CAROLE MIGDEN**  
CHAIRWOMAN  
STATE BOARD OF EQUALIZATION  
DISTRICT 1



STATE OF CALIFORNIA

## **PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**

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### **CHAIRWOMAN MIGDEN ANNOUNCES NEW JANUARY 1<sup>st</sup> LAW TARGETING CIGARETTE BLACK MARKET**

#### **NEW BOE PROGRAM CRACKS DOWN ON ILLEGAL CIGARETTE TRAFFICKING**

SACRAMENTO, CA – Chairwoman Carole Migden today announced the launch of a new program to crack down on the \$250 million black market for illegal cigarettes in California.

“The black market for cigarettes is a major problem in California,” said Carole Migden, Chairwoman of the Board of Equalization. “Illegal cigarette sales and trafficking cost California millions each year – money that should be going toward valuable health prevention, treatment, and early childhood development programs.” Cigarette tax revenues are deposited into various different funds such as the California Children and Families First Trust Fund and the Breast Cancer Fund.

Assembly Bill 71 (Horton) of 2003 established a new licensing program with tougher requirements and stiff fines to dramatically curtail sales of black market cigarettes in California. Retailers who are convicted of selling illegal cigarettes are subject to fines of \$500-\$1,000 and face having their license to sell cigarettes and tobacco products suspended or revoked.

The bill establishes licensing deadlines, a license fee schedule, and penalties for illegal cigarette sellers. According to the legislation, manufacturers and importers must obtain licenses and pay required fees by January 1, 2004. Distributors, wholesalers and retailers of cigarettes and tobacco related products must obtain a license by June 30, 2004.

Separately, the Board is already at work developing new state-of-the-art stamps for cigarettes packs pursuant to Senate Bill 1701 (Peace) of 2002. These high-tech stamps will appear on cigarette packages by January 1, 2005.

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